Message Text

CONFIDENTIAL

PAGE 01 DAMASC 02693 01 OF 02 150915Z

13

ACTION AGR-08

INFO OCT-01 NEA-06 ISO-00 IO-10 SWF-01 CIAE-00 DODE-00

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CONFIDENTIAL DAMASCUS SECTION 1 OF 2 DAMASCUS 2693

DEPT PASS AGRICULTURE FOR SECRETARY BTUZ' OFFICE

ROME FODAG FOR JOHN WEIDERT, SPECIAL REP OF THE SECRETARY

BEIRUT FOR AGATT

EO 11652: GDS

TAGS: OVIP (BUTZ, EARL)

SUBJECT: VISIT OF SECRETARY OF AGRICULTURE TO SYRIA

1. SUMMARY: SECRETARY BUTZ' VISIT WENT SMOOTHLY AND WE BELIEVE HAD EXCELLENT IMPACT. SYRIANS PROVED ONCE AGAIN TO BE GRACIOUS AND WARM HOSTS AND PROVIDED SECRETARY WITH COMPREHENSIVE OVERVIEW OF COUNTRY'S AGRICULTURAL DEVELOPMENT PLANS. SECRETARY BUTZ TOOK EVERY OCCASION TO EMPHASIZE US COMMITMENT TO PEACE AND STABILITY AND OUR PLEASURE OVER RESUMPTION OF CORDIAL US-SYRIAN RELATIONS. DEPUTY PRIME MINISTER HAYDAR AND OTHER KEY MINISTERS OUTLINED TYPES OF ASSISTANCE US COULD CONSIDER SUPPLYING TO SYRIA AND ALSO THEIR STRONG DESIRE TO SUPPORT CLOSE BILATERAL ECONOMIC AND AGRICULTURAL RELATIONS BETWEEN SYRIA AND THE US. SYRIANS SAID THEY EXPECTED PL 480, TITLE I AGREEMENT CONFIDENTIAL

CONFIDENTIAL

PAGE 02 DAMASC 02693 01 OF 02 150915Z

NEGOTIATIONS TO BE CONCLUDED SOON. END SUMMARY.

2. SECRETARY BUTZ DEVOTED NOVEMBER 12 TO ROUND OF MEETINGS WITH VARIOUS SYRIAN MINISTERS DURING HIS NOVEMBER 11-13 VISIT TO DAMASCUS. AS THE SECRETARY'S VISIT FOLLOWED CLOSELY THAT OF AID ASSISTANT ADMINISTRATOR NOOTER (OCTOBER 31 TO NOVEMBER 5), AND COINCIDED WITH ONGOING PL 480 NEGOTIATIONS, THE SYRIAN MINISTERS WERE PRIMED WITH QUESTIONS ON HOW THE SECRETARY CONSIDERED THE US COULD ASSIST THE SYRIAN AGRICULTURAL SECTOR, SECRETARY BUTZ STRESSED HOW PLEASED THE AMERICAN PEOPLE WERE WITH THE RESUMPTION OF RELATIONS BETWEEN SYRIA AND THE US AND THE EXPANSION HE FORESAW IN US-SYRIAN BILATERAL ECONOMIC RELATIONS. THE SECRETARY SAID THE USG AND HIS DEPARTMENT IN PARTICULAR WOULD DO ALL WITHIN OUR CAPACITY TO MEET SYRIAN REQUESTS FOR ASSISTANCE IN HELPING DEVELOP STRONG POTENTIAL OF SYRIAN AGRICULTURE. WITH EACH MINISTER, THE SECRETARY EMPHASIZED OUR COMMITMENT TO PEACE IN THE AREA AND HIS FIRM BELIEF THAT SYRIA AND THE UNITED STATZS WILL CONTINUE TO COOPERATE TO BRING ABOUT THAT GOAL. SECRETARY BUTZ ALSO STRESSED THE KEY EFFORT BEING MADE AT THE ROME WORLD FOOD CONFERENCE TO EXPAND FOOD PRODUCTION IN DEVELOPING COUNTRIES AND NEED FOR DEVELOPED COUNTRIES AND OIL PRODUCING COUNTRIES WITH EXCESS CAPITAL TO ASSIST IN THIS EFFORT TO INCREASE FOOD PRODUCTION. SECRETARY BUTZ OUTLINED ROLE OF US AGRICULTURE, PROSPECTS FOR FUTURE US SALES TO SYRIA AND WHAT US AGRICULTURE CAN DO TO ASSIST SYRIA. HIGHLIGHTS OF INDIVIDUAL MEETINGS FOLLOW.

3. AGRICULTURE MINISTER MURSIL ABOU-OMAR (WHO ACCOMPANIED SECRETARY ON ALL CALLS AND WHOSE MINISTRY ARRANGED AN EXCELLENT AND QUICK-MOVING SCHEDULE) OUTLINED SYRIA'S PLANS FOR AGRICULTUREAL DEVELOPMENT AND LARGE INFRASTRUCTURE EXPENDITURE ASSOCIATED WITH EUPHRATES DAM IN ORDER TO REDUCE DEPENDENCE ON RAINFED AGRICULTURAL PRODUCTION. ABOU-OMAR SAID HIS MINISTRY'S DEVELOPMENTAL EFFORTS WERE: (A) IMPROVED SEED MULTIPLICATION AND DISTRIBUTION, (B) MECHANIZATION OF PRODUCTION AND PROCESSING, AND (C) INCREASED AND BETTER USE OF FERTILIZERS. RESPONDING TO A DESCRIPTION OF THE RAPIDLY GROWING ANIMAL HUSBANDRY SECTOR, SECRETARY BUTZ PREDICTED GROWING NEED FOR SOYBEAN MEAL TO SUPPLEMENT OTHER FEED GRAINS AND NOTED THE UNITED STATES CAPACITY TO SUPPLY THIS IN CONTEXT CONFIDENTIAL

CONFIDENTIAL

PAGE 03 DAMASC 02693 01 OF 02 150915Z

EXPANDED TRADE. ABOU-OMAR EXPRESSED KEEN INTEREST IN INCREASING EXCHANGE OF TECHNICAL TRAINING PESONNEL BETWEEN SYRIA AND THE US AND SYRIA'S DESIRE FOR TECHNICAL ASSISTANCE FROM THE US. HE NOTED CURRENT PL 480 NEGOTIATIONS, SAID SYRIANS STUDYING TITLE I PROPOSAL AND WOULD HAVE RESPONSE BACK TO US SIDE VERY SOON WHILE USG NEGOTIATIORS STILL IN DAMASCUS.

4. TO PLANNING MINISTER NOURALLAH NOURALLAH, SECRETARY BUTZ STRESSED

USDA'S DESIRE TO DO ALL WITHIN ITS CAPACITY TO ASSIST IN DEVELOPMENT OF SYRIAN AGRICULTURE. SECRETARY BUTZ CITED CURRENT PL 480 NEGOTIATIONS AS AN EXCELLENT BEGINNING AND ALSO NOTED USG COMMITMENT TO WORLD FOOD PROGRAM FOR A GRANT OF 48,000 M.T. OF WHEAT AND 3,500 M.T. OF VEGETABLE OIL FOR USE IN SYRIA, ASSISTANCE WORTH UP TO \$16.3 MILLION. IN ADDITION TO THESE TWO EXAMPLES OF DEPARTMENT OF AGRICULTURE DOOPERATION WITH SYRIA, SECRETARY SAID IN FUTURE WE HOPE TO SEND TECHNICAL EXPERTS IN AGRICULTURE TO SYRIA UNDER USAID SPONSORSHIP. MINISTER NOURALLAH WELCOMED SUCH EXCHANGES, NOT ONLY FOR THEIR MATERIAL IMPORTANCE BUT ALSO FOR HUMAN BENEFITS OF SYRIANS AND AMERICANS WORKING TOGETHER.

5. NOURALLAH EMPHASIZED HEAVY COST OF DEFENSE TO SYRIAN ECONOMY AND HIS OPINION THAT MEETING BOTH REQUIRED DEFENSE EXPENDITURES AND DEVELOPMENT NEEDS IS IMPOSSIBLE. STATED SYRIA HAS ALWAYS STOOD FOR PEACE; COSTS OF DEFENSE ARE HEAVY BURDEN.

SECRETARY BUTZ RESPONDED THAT WE RECOGNIZE SYRIA WILL PLAY A KEY ROLE IN PEACE IN THE AREA AND WORLD, AND UNITED STATES HAS JUST AS STRONG A COMMITMENT TO PEACE. NOURALLAH REPLIED THAT IF THE UNITED STATES SAYS THIS, THEN WE CAN HAVE PEACE. TURNING TO AGRICULTURE, NOURALLAH EMPHASIZED SYRIAN EFFORTS TO INCREASE SUGAR BEET AND RICE PRODUCTION, IN ADDITION TO SYRIA'S TRADITIONAL CROPS OF WHEAT AND OTHER GRAINS. SECRETARY BUTZ OUTLINED US SOYBEAN PRODUCTION AND GROWING SYRIAN DEMAND FOR SOYBEAN MEAL WHICH WILL BE NEEDED TO HELP RAPIDLY EXPANDING ANIMAL HUSBANDRY SECTOR IN SYRIA.

6. WITH ECONOMY AND FOREIGN TRADE MINISTER DR. MOHAMAD IMADI, SECRETARY BUTZ NOTED HIS VISIT SERVED AS AN EXCELLENT OPPORTUNITY FOR HIM TO HAVE FIRST-HAND VIEW OF SYRIA AND TO LEARN ABOUT ITS DEVELOPMENT PLANS. THE SECRETARY ALSO NOTED HIS PLEASURE OVER THE BEGINNING OF THE PL 480 NEGOTIATIONS. IMDADI CONFIDENTIAL

CONFIDENTIAL

PAGE 04 DAMASC 02693 01 OF 02 150915Z

SAID HE HAD HEARD FROM DEPUTY PRIME MINISTER HAYDAR (ECONOMIC AFFAIRS) THAT DEPUTY PRIME MINISTER KHADDAM (FOREIGN AFFAIRS) HAD BEEN UNDER THE IMPRESSION THAT PL 480 75,000 TONS OF WHEAT AND 25,000 TONS OF RICE WOULD BE GRANT AID AND WHEN KHADDAM RETURNED TO DAMASCUS HE WOULD SAY IMADI HAD "RUINED" HIS ARRANGEMENTS WHEN HE LEARNED SYRIANS WERE ALREADY NEGOTIATING FOR A TITLE I LOAN PROGRAM. IMADI SAID HE HAD REALIZED A TITLE I PROGRAM WAS ENVISAGED AND PREDICTED THE GOVERNMENT WOULD APPROVE SUCH A PROGRAM. SECRETARY BUTZ DETAILED OUR GRANT ASSISTANCE TO SYRIA, THROUGH WORLD FOOD PROGRAM (WFP), SINCE VOLAGS ARE PRESENTLY NOT WORKING IN SYRIA, THE GENEROUS LOAN REPAYMENT TERMS UNDER OUR TITLE I PROGRAM, AND HIS DESIRE TO DO ALL WE CAN TO UNDERGIRD SYRIAN AGRICULTURAL DEVELOPMENT. IMADI DISCUSSED SYRIAN EFFORTS TO ATTRACT ARAB OIL CAPITAL TO SYRIA AND HIS BELIEF THAT SUCH CAPITAL SHOULD BE

JOINED WITH AMERICAN EXPERTISE AND TECHNOLOGY FOR PROJECTS IN SYRIA. IMADI SAID SYRIA WAS WILLING TO CONSIDER ANY SUCH JOINT OR THREE-WAY PROPOSAL, EG., SAY 20 PERCENT EXIM BANK LOAN, 80 PERCENT ARAB CAPITAL, ALONG WITH US PRIVATE TECHNOLOGY AND US PUBLIC TECHNICAL ASSISTANCE. IMADI SAID HE WAS NOT CONCERNED IF FOREIGN CAPITAL DESIRED CONTROLLING INTEREST IN INVESTMENT PROJECTS; IMPORTANT ASPECT WAS TO GET PROJECTS STARTED. HE NOTED THERE STILL TENDENCY ON PART SOME ELEMENTS IN ARAB OIL STATES TO SHY FROM SYRIA OWING TO NATIONALIZATION CARRIED OUT BY PREVIO CONFIDENTIAL POSS DUPE

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PAGE 01 DAMASC 02693 02 OF 02 141345Z

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ACTION AGR-08

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CONFIDENTIAL SECTION 2 OF 2 DAMASCUS 2693

7. IMADI ASKED WHAT AGRICULTURAL COOPERATION SECRETARY BUTZ FORESAW BETWEEN THE US AND SYRIA. THE SECRETARY NOTED THREE KEY AREAS: (A) PL 480 COMMODITY ASSISTANCE LOANS, (B) TECHNICAL EXCHANGES, AND (C) AGRICULTURAL TRAINING. IMADI AGREED, STRESSING NEED TO UPGRADE SYRIAN EXTENSION SERVICES. SECRETARY BUTZ POINTED OUT USG HAS UNDER AID MANY CONTRACTS WITH TOP-FLIGHT AMERICAN UNIVERSITIES WHICH COULD PROVIDE THE TYPE OF PROGRAM MINISTER IMADI HAD IN MIND. HE RECOMMENDED CONSIDERATION OF A UNIVERSITY-TO-UNIVERSITY RELATIONSHIP.

8. EUPHRATES DAM MINISTER DR. SOUBHI KAHALEH DETAILED EXPECTED RESULTS FROM THE EUPHRATES DAM WHICH HE DESCRIBED AS THE CORNERSTONE OF FUTURE DEVELOPMENT IN SYRIA, AND SYRIA'S SECOND FRONT. KAHALEH DISCUSSED LAND RECLAMATION EFFORTS AND FUTURE LAND ADMIISTRATION IN THE DAM AREA, RESETTLEMENT OF FARMERS FROM THE LAND INUNDATED BY LAKE ASAD BEHIND THE DAM, AND VARIOUS BILATERAL AND MULTILATERAL EFFORTS ON HALF OF LAND TO BE IRRIGATED BY THE DAM AND NEED FOR FURTHER SUBSTANTIAL ASSISTANCE ON OTHER HALF. KAHALEH STRESSED THE PARTICULAR INTEREST SYRIAN HAD IN US AGRICULTRUAL EQUIPMENT.

AT SAME TIME HE AFFIRMED THAT SYRIA WAS PLEASED WITH THE CONFIDENTIAL

CONFIDENTIAL

PAGE 02 DAMASC 02693 02 OF 02 141345Z

QUALITY OF SOVIET TECHNICAL EXPERTS WHO HAD WORKED ON THE DAM AS WELL AS QUALITY OF THE SOVIET TURBINES ALREADY INSTALLED. SECRETARY BUTZ ASKED IF SYRIA HAS REACHED ANY INTERNATIONAL AGREEMENTS ON USE OF EUPHRATES WATERS. KAHALEH REPLIED THAT NEGOTIATIONS ON DIVERSION OF WATER NOT YET CONCLUDED AND HOPED AN EQUITABLE SOLUTION COULD BE FOUND, AS A COORDINATED PROGRAM NECESSARY. KAHALEH ALSO STATED THAT TURKEY'S FUTURE IRRIGATION REQUIREMENTS ARE LESS THAN SYRIA'S OR IRAQ'S AND THIS WILL ALWAYS PERMIT ADEQUATE DOWNSTREAM USEAGE.

9. DEPUTY PRIME MINISTER DR. MOHAMAD HAYDAR (ECONOMIC AFFAIRS) WARMLY WELCOMED SECRETARY BUTZ TO DAMASCUS AND EMPHASIZED HE LOOKED FORWARD TO WORKING FOR CONTINUED CLOSER RELATIONS BETWEEN THE US AND SYRIA. SECRETARY BUTZ SUMMED UP WHAT HE HAD HEARD DURING HIS MORNING'S MEETINGS AND SAID HIS DEPARTMENT WAS DETERMINED TO DO ALL IT COULD TO HELP IMPLEMENT THE NEW RELATIONSHIP BETWEEN OUR TWO COUNTRIES. SECRETARY NOTED OUR PLEASURE THAT AS RESULT OF FOREIGN MINISTER KHADDAM'S VISIT TWO MONTHS AGO WE WERE ABLE TO COMMIT \$16.3 MILLION WORTH OF COMMODITIES IN GRANT AID TO THE WFP FOR USE IN SYRIA (SEPTEL). THIS GIFT AND OUR CURRENT NEGOTIATIONS FOR PL 480, TITLE I, COMMODITY ASSISTANCE ARE A BEGINNING FOR THIS NEW-RELATIONSHIP. CITING THE EFFORTS OF THE ROME WORLD FOOD CONFERENCE, SECRETARY BUTZ UNDERLINED THE NEED TO MOVE CAPITAL AND TECHNOLOGY FROM DEVELOPED COUNTRIES TO LDCS IN ORDER TO INCREASE FOOD PRO-DUCTION IN THESE COUNTRIES. NOTING SYRIA'S TREMENDOUS AGRICULTURAL POSSIBILITIES, SECRETARY SAID HE FULLY EXPECTED SYRIA TO BECOME AN IMPORTANT FOOD EXPORTER IN THE NEAR FUTURE. ON PL 480 WHILE WE WOULD LIKE TO PROVIDE MORE FOR SYRIA THIS YEAR, CRITICAL NEEDS IN INDIA, BANGLADESH, AND AFRICA, AND OUR OWN LOWER SOYBEAN AND CORN CROPS THIS YEAR, RESTRICTED US. WE ANTICIPATE LARGE CROPS NEXT YEAR AND HOPE TO BE ABLE TO OFFER SYRIA LARGER OUANTITIES IF NEEDED, AND ALSO ADDITIONAL COMMODITIES.

10. HAYDAR UNDERLINED SYRIA'S FOUR AGRICULTURAL PROBELEMS AS (A) NEED TO EXPAND IRRIGATED AGRICULTURE AND LAND RECLAMATION, TOGETHER WITH FINANCING AND SOIL TECHNOLOGY THAT WILL BE NECESSARY TO BRING NEW LAND INTO PRODUCTION; CONFIDENTIAL

CONFIDENTIAL

PAGE 03 DAMASC 02693 02 OF 02 141345Z

(B) NEED FOR NEW TECHNOLOGY FOR DRY-LAND FARMING GIVEN LARGE AREAS IN SYRIA NOT PRODUCING AT PRESENT BECAUSE OF ARID CONDITIONS; (C) DEVELOPMENT OF LIVESTOCK PRODUCTION, WHICH HE RELATED TO DEVELOPMENT OF DRY LANDS TO BE USED TO SUPPORT SUCH LIVESTOCK; AND (D) MECHANIZATION OF SYRIAN AGRICULTURE TO RAISE PRODUCTION AND REPLACE DWINDLING FARMING PRPULATION WHICH STEADILY MOVING INTO SYRIA'S GROWING INDUSTRIAL SECTOR. ON THESE PROBLEMS, HAYDAR SAID SYRIA NEEDED ALL THE HELP IT COULD GET. HAYDAR CONCLUDED THAT HE AND MAJORITY OF POPULATION OF SYRIA WERE VERY HAPPY WITH RESUMPTION OF RELATIONS WITH US. WE HAVE, HOWEVER, PROGRESSED MUCH FURTHER TOGETHER ON THE POLITICAL THAN THE ECONOMIC FRONT AND MUST NOW EMPHASIZE THE ECONOMIC SECTOR. HAYDAR STRESSED THAT AGRICULTURE SHOULD PROVIDE MORE SCOPE FOR PROGRESS IN US-SYRIAN RELATIONS THAN ANY SINGLE OTHER AREA.

1. VISIT CAPPED BY SECRETARY BUTZ' WARM REMARKS (SEPTEL) GIVEN AT AMBASSADOR'S DINNER NOVEMBER 12 TO ASSEMBLED GUESTS, INCLUDING MINAG ABOU-OMAR, MIN PLANNING NOURALLAH, MINAG DEPUTY MINS DR. NAIM JOUMA AND DR. MOHAMAD IBRIK AND OTHER MINAG OFFICIALS AND SYRIAN BUSINESSMEN. SECRETARY BUTZ CONCLUDED REMARKS BY EXPRESSING HOPE MINAG ABOU-OMAR WILL VISIT WASHINGTOM.

CONFIDENTIAL

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